

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

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JUN 5 1992

FCC MAIL BRANCH

IN THE MATTER OF:

REDEVELOPMENT OF SPECTRUM TO
ENCOURAGE INNOVATION IN THE USE OF
NEW TELECOMMUNICATIONS TECHNOLOGIES

ET Docket No. 92-9

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COMMENTS OF BALTIMORE GAS AND ELECTRIC COMPANY

Federal Communications Commission
Office of the Secretary

These comments are being submitted on behalf of
Baltimore Gas and Electric Company (BG&E) in response to the
Notice of Proposed Rulemaking of the Federal Communications
Commission (FCC) related to the redevelopment of spectrum to
encourage innovation in the use of new telecommunications
technologies and the report titled "Creating New Technology Bands
for Emerging Telecommunication Technology."

BG&E is a public utility engaged in providing electric
and natural gas services in the Central Maryland area. As part
of its mission to provide such services, BG&E operates its own
microwave and fiberoptic networks to support the voice and data
requirements of the Company. BG&E is a 2 GHz fixed microwave
licensee. BG&E is also authorized by the Maryland Public Service
Commission to provide various telecommunications services to a
select group of non-residential customers.

1. BG&E generally supports the FCC's spectrum
reallocation initiative and the need for Emerging Technology
Bands. This action will expand the FCC's efforts to foster

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competition within the telecommunications industry. Increased competition will spur better spectrum utilization, provide cost benefits and enhance the development of new products and services. In particular, Personal Communications Systems (PCS) may provide a completely new alternative to landline public networks.

2. In an age of proliferating information services, many of which obviously will be utilized over the radio airwaves, it is vital to establish a reserve spectrum for emerging technologies. An Emerging Technologies Band will provide the necessary bandwidth for manufacturers, inventors and entrepreneurs to develop new applications such as PCS, satellite video systems, worldwide radio networks and other wireless services that can be used by many businesses in the future. We note that the FCC, in merely proposing an Emerging Technologies Band, has received a flood of applications for new service requests. This should be ample proof that innovators are only waiting for adequate opportunities to create new technologies and uses.

3. As to the Proposed Reallocations and the Transition Plan, the FCC's emphasis on promoting the maximum flexibility in negotiations between existing users and parties developing new services is necessary to promote emerging telecommunication technologies. In particular, BG&E supports the FCC's proposal to allow providers of new services assigned spectrum allocated to the new emerging technologies bands to

negotiate financial arrangements with existing licensees. As the FCC noted, such arrangements would allow market forces to achieve a balance between the need to minimize the reaccommodation cost to existing operators and the immediate need for the spectrum to permit provision of these new services.

4. Moreover, we believe that many existing fixed microwave users will have little technical difficulty in moving to other bands or alternative wireline systems, such as fiber optics. BG&E anticipates that emerging technologies such as PCS will lead to significant future utility applications, and provide a new source of reliable voice and data communications during emergency situations.

5. The FCC's market-based approach is fair and equitable. Allowing the market to dictate the manner in which spectrum is utilized, valued and transferred will provide the proper incentives for current and future licensees to make the necessary adjustments. The FCC should not place any restriction on these negotiated arrangements. An incumbent's ability to obtain a fair price for the sale of the frequencies, or to enter into possible joint ventures with emerging technology companies likely will encourage incumbents to more quickly vacate the desired frequencies.

6. BG&E believes that a 10 to 15 year transition period is acceptable. This will allow incumbents to plan an orderly migration to other frequencies. It should also provide adequate incentives for emerging technologies to be developed

concurrently along with additional spectrum-sharing technologies for those who wish to speed up the deployment of new systems in the 2 GHz band, prior to those frequencies being vacated.

7. The idea of providing tax incentives to fixed microwave licensees via the award of tax certificates may be an effective means to encourage incumbents to vacate the spectrum in a timely manner.

8. The FCC's proposal to permit Co-primary operators in certain frequencies may work in some cases, but not in others. In any case, if such a system were allowed, we believe it should be the responsibility of the new operator to correct and mitigate any interference problems. However, if the new technology application does interfere with the Co-primary operator and the condition cannot be corrected, then the parties should be free to negotiate appropriate compensation for the injured party, up to and including paying for the costs of relocating to another band.

9. In the matter of granting licenses on a secondary basis following the adoption date of this proceeding, BG&E finds this to be acceptable and fair because it provides applicants the flexibility of using the 2 GHz band on a secondary basis or seeking alternative spectrum in which they may become the primary licensee.

BG&E appreciates the opportunity to comment on this proposed rule and its associated supplementary information.

Respectfully submitted,

BALTIMORE GAS AND ELECTRIC COMPANY

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